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WITH REGARD TO THE IMPLEMENTATION
OF THE DECLARATION ON THE GRANTING
OF INDEPENDENCE TO COLONIAL
COUNTRIES AND PEOPLES

FALKLAND ISLANDS (MALVINAS)

Working paper prepared by the Secretariat

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FALKLAND ISLANDS (MALVINAS) 1/

I. GENERAL

1. The Falkland Islands (Malvinas), which is administered by the United Kingdom of Great Britain and Northern Ireland, comprises two large islands known as East and West Falkland, as well as some 200 smaller islands, and has a total area of about 12,173 square kilometres. The Territory is situated in the South Atlantic Ocean, about 770 kilometres north-east of Cape Horn and about 480 kilometres east of the South American mainland. South Georgia, located about 1,300 kilometres east-south-east of the Falkland Islands (Malvinas) group, and the South Sandwich Islands, about 750 kilometres east-south-east of South Georgia, are administered from the Falkland Islands (Malvinas) as a matter of convenience; the Governor of the Falkland Islands (Malvinas) acts as Commissioner for South Georgia and the South Sandwich Islands.

2. According to the March 1991 census, the population of the Territory was 2,121, excluding military personnel and contract workers, but including some expatriate staff in permanent posts. Of the total, 1,643 lived in Stanley, the capital, and its environs and the remainder were scattered throughout the Territory. In 1980, according to the census of that year, of 1,813 permanent inhabitants, 1,360 had been born in the Territory and about 300 in the United Kingdom.

II. CONSTITUTION AND GOVERNMENT

3. The Constitution of the Falkland Islands (Malvinas) came into effect on 18 April 1985. (For details, see the 1985 working paper prepared by the Secretariat (A/AC.109/835 and Corr.1, paras. 4-39)). It vests executive power in a Governor, assisted by an Executive Council consisting of the Chief Executive and Financial Secretary and three members nominated by the elected members of the Legislative Council. It provides that the Legislative Council should consist of eight elected members and the Chief Executive and Financial Secretary as ex officio members.

4. The election of the Legislative Council is regulated by the Constitution, together with the Electoral Ordinance adopted by the Council in 1988. By virtue of these instruments, the Territory is divided into two constituencies for electoral purposes: the Stanley Constituency, which comprises the capital and its environs, and the Camp Constituency, made up of the rest of the Territory. There are four elected members for each constituency and all persons who are Commonwealth citizens 18 years or older and who satisfy the residency requirements are allowed to vote. Elections must be held at intervals not longer than just over four years. The last general election took place in 1989.

III. CONSIDERATION BY THE UNITED NATIONS

A. Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

5. The Special Committee considered the question of the Falkland Islands (Malvinas) at its 1405th and 1408th meetings, on 27 and 29 July 1992.

6. During its consideration of the item, the Special Committee had before it a working paper prepared by the Secretariat containing information on developments concerning the Territory (A/AC.109/1122 and Corr.1).

7. At the 1408th meeting, on 29 July 1992, the representative of Venezuela introduced, on behalf also of Chile, draft resolution A/AC.109/L.1786 which was subsequently adopted by 20 votes to none, with 3 abstentions.

8. At the same meeting, the representative of Argentina made a statement (A/AC.109/PV.1408). The delegation of the United Kingdom, the administering Power concerned, did not participate in the Special Committee's consideration of the item.

9. On 6 August 1992, the text of the resolution (A/AC.109/1132) was transmitted to the Permanent Representatives of the United Kingdom and of Argentina to the United Nations for the attention of their respective Governments.

B. General Assembly

Position of the Government of Argentina

10. During the general debate of the forty-seventh session of the General Assembly, the Minister for External Relations and Worship of the Argentine Republic, in the course of his statement on 21 September 1992 (A/47/PV.5), made the following reference to the Falkland Islands (Malvinas): "Another important contribution to stability in our part of the world has been the complete normalization of diplomatic relations between Argentina and the United Kingdom and the development of growing and fruitful economic and trade links between the two. However, the dispute concerning sovereignty over the Malvinas, Georgia and South Sandwich Islands still persists. Today I reaffirm the sovereign rights of my country over these territories and their maritime areas. The permanent defence and reaffirmation of these inalienable rights are at the core of Argentine foreign policy".

11. In the same statement and in reference to the persisting international conflicts, the Minister for Foreign Affairs added, "Moreover, in some regions there are still significant disputes that, though lacking the tragic aspects of the troubles I have mentioned, none the less impede the consolidation of stability. The case of the Malvinas Islands, to which I shall refer later, is one example. In that regard, the situation has unfortunately been affected recently by unilateral positions taken by the British Government on the sensitive matters of hydrocarbons".

12. In the course of his statement, the Minister for Foreign Affairs also stated, "The recent decision of the United Kingdom Government to move unilaterally into prospecting for oil in the area in dispute is strongly rejected by my country. This rejection has been immediately transmitted to the United Kingdom Government and to the potential prospecting companies. This imprudent step by the United Kingdom stands in the way of the real opportunities for cooperation in the South Atlantic and does not strengthen the good bilateral relationship in which both countries are strongly interested. These developments hinder our developing creative and pragmatic formulas which, without undermining our inalienable rights, would foster cooperation in the South Atlantic. We are convinced that the establishment of a cooperative framework rather than of a confrontational one would benefit all those who live in the South Atlantic area, including the inhabitants of the Malvinas. It is the duty of the Argentine and British Governments to do their utmost towards that end by overcoming major problems such as the ones that I have described".

13. On 19 October 1992, during the general debate of the Fourth Committee the representative of Argentina made a declaration on behalf of Bolivia, Chile, Colombia, Ecuador, Honduras, Mexico, Nicaragua, Paraguay, Uruguay and Venezuela. In connection with the question of the Falkland (Malvinas) Islands, noting the current state of bilateral relations between the Republic of Argentina and the United Kingdom of Great Britain and Northern Ireland, he believed that the understanding between both nations was conducive to the resumption of negotiations aimed at finding a just and lasting solution to the dispute on sovereignty relating to the question of the Malvinas Islands (A/C.4/47/SR.4, para. 60).

Position of the Government of the United Kingdom

14. Speaking in the right of reply during the general debate at the forty-seventh session of the General Assembly, the representative of the United Kingdom stated: "We will continue to work with the Argentine Government to create an atmosphere of stability and cooperation in the South Atlantic, and we have made considerable progress in that respect. That progress is predicated on the understanding that sovereignty is not a matter that we are prepared to discuss".

15. During the debate in the Fourth Committee, the representative of the United Kingdom stated, inter alia, that the United Kingdom would continue to work with the Government of Argentina to create an atmosphere of stability and cooperation in the South Atlantic, it being understood that sovereignty was not a matter that the United Kingdom was prepared to discuss.

Contribution by other Member States

16. At a meeting held on the same day, Brazil joined Argentina in expressing hope that the current understanding between Argentina and the United Kingdom would favour the resumption of negotiations aimed at finding a fair and definitive solution to the dispute on the sovereignty of the Malvinas Islands (A/C.4/47/SR.4, para. 85).

IV. CONSIDERATION BY OTHER INTERGOVERNMENTAL ORGANIZATIONS

Organization of American States

17. At its twenty-third regular session, held at Managua from 6 to 12 June 1993, the General Assembly of the Organization of American States (OAS) emphasized the excellent status achieved in bilateral relations between Argentina and the United Kingdom since the resumption of their diplomatic relations. It welcomed the will of Argentina to explore the possible peaceful avenues for the settlement of the controversy and, in particular, its positive consideration of the inhabitants of the Malvinas Islands. The Assembly recalled its resolution AG/RES.928 (XVIII-O/88) requesting Argentina and the United Kingdom to resume negotiations in order to find, as soon as possible, a peaceful solution to the sovereignty dispute, and decided to continue to examine the question at its future sessions.

V. POLITICAL DEVELOPMENTS

18. In early January 1993, Mr. Douglas Hurd, United Kingdom Secretary of State for Foreign and Commonwealth Affairs paid an official visit to Argentina, the first such visit by a cabinet minister since the two countries went to war over the Falkland Islands (Malvinas) in 1982. 2/

19. Prior to the visit, the British Government issued the following statement: 1/

> "In advance of the Secretary of State's visit to Buenos Aires from 6 to 10 January, Her Majesty's Government wished to reaffirm that the United Kingdom's aim was to develop the best possible relationship with Argentina. The Secretary of State's visit to Argentina was itself testimony of that.
>
> "Her Majesty's Government welcomed the Argentine wish for a relationship of confidence and cooperation. At the same time, the United Kingdom was committed to defending the right of the Falkland Islanders to live under a Government of their own choosing. The Islanders had made it abundantly clear that they wished to remain British and under British jurisdiction. Her Majesty's Government has no doubt about the United Kingdom's sovereignty over the Islands."

20. While in Buenos Aires, Mr. Hurd was reported to have told reporters that the "British Government has no doubt about the sovereignty over the islands and will continue to protect the islanders". 2/

21. On 7 May 1993, the Government of the Argentine Republic issued the following statement with regard to a measure adopted by the Government of the United Kingdom extending its jurisdiction in respect of maritime spaces surrounding the South Georgia and South Sandwich Islands: 3/

> "The Argentine Government strongly rejects this measure, reaffirms the legitimate rights of sovereignty of the Argentine Republic over the South Georgia and South Sandwich Islands and recalls that these territories form

part of the dispute concerning sovereignty which the United Nations recognizes and is keeping under consideration."

22. In a statement issued on 12 May 1993 concerning the extension of the marine zone around South Georgia and the South Sandwich Islands, the Government of the United Kingdom stated, inter alia: 4/

"The need to reinforce conservation arrangements in the area for which Her Majesty's Government is responsible is clear. Accordingly, Ministers decided to strengthen conservation and management of marine resources around South Georgia and the South Sandwich Islands by the introduction of national measures. These measures are intended to supplement, not replace, the role of CCAMLR [the Convention on the Conservation of Antarctic Marine Living Resources] and are of course fully compatible with it.

"For this reason, the Commissioner for South Georgia and the South Sandwich Islands issued a Proclamation on 7 May 1993 to provide for the exercise of the Crown's sovereign rights to jurisdiction over a maritime zone. This action will reinforce existing measures under CCAMLR."

23. In a related development, 1/

"The Argentine-British Working Group on South Atlantic Affairs met at Buenos Aires on 6 November 1992 and, again, in London on 4 and 5 May 1993. In addition to its other tasks, the Working Group made progress in the consideration of the Interim Reciprocal Information and Consultation System, established in the Joint Statement issued in London and Buenos Aires on 25 September 1991, particularly considering matters related to the Direct Communications Link and the Confidence-Strengthening Measures in the Military Sphere established therein."

24. According to reports, the United Kingdom and Argentina were easing military restrictions around the disputed Falkland Islands to reflect growing confidence 11 years after the Falklands War. The Foreign Office in London was reported to have said that contacts were also being extended between the commander of the British Force on the South Atlantic Islands and the relevant Argentine Air Force and naval commanders. 5/

VI. ECONOMIC CONDITIONS

A. General 6/

25. The economy of the Falkland Islands (Malvinas) had traditionally been based on the raising of sheep, grazed on ranches owned by a few absentee landlords with islanders largely employed as shepherds and labourers. The principal landholder and main employer was the Falkland Islands Corporation (FIC), a United Kingdom company founded in 1851, which owned almost half the land. FIC was taken over by the Shanghai Bank Corporation and its subsidiary the Midland Bank in December 1992. 7/ Revenue being inadequate to cover budgetary expenses, the Territory was financially dependent on the administering Power, which nevertheless did not make large investments in infrastructural development. The way of life remained extremely simple and isolated. The only means of access to

the Territory from the United Kingdom was by sea. After its conflict with Argentina in 1982, the administering Power allocated £3 million to the civilian sector, mainly for business development. A new military airport capable of accommodating wide-bodied commercial jets was also constructed.

26. In the late 1980s, the Territory experienced an unprecedented period of prosperity as a result of the discovery of vast schools of squid in its 200-mile exclusive economic zone. Primarily through the sale of fishing licences to foreign companies, mainly from Asia, revenues rose to £41 million in 1990/91 (£25 million from fisheries), which was adequate to enable the Territory to be financially self-sufficient. Furthermore, owing to the decision of FIC to sell off most of its landholdings for subdivision into small units, the number of privately owned farms and self-employed persons increased significantly. There was a major building programme which included the construction of a new hospital and school, the installation of a new telephone system and the building of an extensive road network.

27. In December 1992 the Penguin News reported that the Territory appeared to be headed towards a major financial crisis. According to the report, revenue derived from fishing licences would generate a maximum of only £13.7 million in 1992/93, against an expected revenue of £23.8 million, thereby creating a shortfall of £10.1 million. The situation was expected to be further compounded by an expected decline in income of £1 million from jobs related to fisheries, and a reduction in income from investment resulting from lower interest rates. 8/

28. According to the periodical, 8/ the following measures were taken or envisaged by the Executive Council to deal with the situation:

(a) A reduction in capital expenditure of £3.7 million, from £16.7 million to £13 million. These adjustments to projects were approved by the Executive Council;

(b) Planned cuts in operating expenditures of £2.8 million, from £22.8 million to £20 million. These proposed reductions were being considered by the heads of departments of the Territory's administration. The Executive Council, advised by the Financial Secretary, would make the final decisions;

(c) Possible increases in tax and customs duty; proposals to this effect had been put before councillors but were being further considered. It was estimated that the increases would not replace the loss in fisheries income but would help to meet the operating expenses of essential public services. The councillors' approval was needed for any such increases.

29. The periodical also stated that if the planned cuts in expenditure were met, the islands' deficit in June 1993 would range between £900,000 at best and £6.6 million in the worst case scenario. It added that the deficit for 1992 would be met from the Territory's reserves, which stood at £49 million. The Financial Secretary was quoted by the periodical as having said that it was unlikely that fisheries income would return to former levels. He added that until other external revenues were available, it would be necessary for the people of the Territory to adjust to the reality of the existing economic

climate and not expect to enjoy the high standards of living and service they had become accustomed to in recent years. 8/

30. There is a possibility that offshore oil reserves will prove to be significant.

B. Agriculture, land tenure and livestock

31. According to reports in the press, 6/ as a result of the subdivision of FIC holdings and the slump in the wool market, the traditional farming communities have begun to disintegrate. Although there are more privately owned farms than before, fewer than 500 people were reported to live on farms in 1991. To help them weather the crisis, farmers are relying on government wool subsidies and mortgage relief, for which purpose up to £2 million was set aside in 1991. None the less, it is reported that many former farm workers, including shepherds and others, are unemployed or are barely getting by, doing road building, and that some farms might go out of business despite subsidies. 6/

32. The Penguin News indicated recently, however, that there was potential for sheep farming in the islands on a larger scale than presently, as there is an abundance of nutritious pasture. The publication also points out that in nearly all land allotments, there are both highlands and meadows, which makes alternate grazing possible and, thus, further enhances the prospects of large-scale sheep farming. 9/

C. Fisheries

33. The Territory's revenues derive mainly from the sale of licences to foreign trawlers fishing for squid, a species which is highly migratory and may desert the area at any time.

34. Following meetings with Argentina, a joint statement was agreed upon on 28 November 1990, aimed at enhancing fisheries conservation in the South Atlantic. A South Atlantic Fisheries Commission was established to discuss conservation over the whole area and to meet twice a year, alternately at Buenos Aires and London. It was also agreed that all fishing would be banned in an area outside the Falkland Inner Conservation and Management Zone (FICZ) but within 200 miles of the Islands (except in the west). This area was designated the Falklands Outer Conservation and Management Zone (FOCZ). Fishing within FICZ continues to be administered by the Falkland Islands Government, which pays strict attention to conservation requirements in issuing licences. Patrolling in FOCZ is the responsibility of the Government, although the Government of Argentina is entitled to exercise flag State jurisdiction over its own vessels.

35. The South Atlantic Fisheries Commission met in London in December 1991 and in Buenos Aires in May 1992, inter alia, to discuss all aspects of monitoring the ban in FOCZ. During both meetings, the two delegations agreed to include "the formula regarding sovereignty over the Falkland Islands (Malvinas), South Georgia and South Sandwich Islands and the surrounding maritime areas agreed upon by the Argentine and United Kingdom Governments in point two of the joint

declaration issued in Madrid on 19 October 1989" (see A/AC.109/1122, paras. 26-28).

36. The fourth meeting of the Commission was held in London on 23 and 24 November 1992. According to the joint statement issued following that meeting, both delegations had discussed, inter alia, the establishment of scientific research cruises during the following year and the framework of cooperation within which they would be useful. 1/

37. Press reports indicate that the Territory's fisheries sector was seriously affected when, in December 1992, Argentina offered a new commercial deal to fishing vessels in the area. 10/ According to the reports, Argentina appeared to have lured a great number of Japanese ships from the Falklands fisheries by offering half-price licences and allowing a seven-month yearly fishing season in Argentine waters, in contrast to the three-month limit set by the United Kingdom in the territorial waters. 11/

38. Also according to press reports, some Taiwanese and Korean ships were expected to follow the example set by the Japanese ships. In total, these defections would cost the Territory between £8 million and £16 million, 10/ that is, 20 to 43 per cent of the licence income which had enabled the Territory to do without development aid from the United Kingdom. 11/

39. During the fifth meeting of the Commission, which took place at Buenos Aires on 10 and 11 December 1992, both delegations considered guidelines for the total effort and expectations for the 1993 fishery season. In this respect, the Argentine delegation expressed the readiness of its Government to authorize, within the context of the Decree 1493/92 (charter of jiggers), a maximum of 45 fishing permits. Both delegations decided to recommend to their Governments the extension for a further one-year period of the total temporary ban on commercial fishing for vessels of any flag in the maritime area described in the annex to the Joint Statement on the Conservation of Fisheries issued on 28 November 1990. 1/

40. Following the agreements reached at that meeting, the first joint scientific research cruise took place from 18 January to 17 February 1993, with the participation of Argentine and British scientists. The research covered the most significant offshore species in the maritime area of concern to the Commission. 1/

41. The Territory's Director of Fisheries is reported to have stated that the initiative to limit the Argentinian fishing licences to 45 would not prove of much benefit to the Islands. According to the Director, it was feared that many of the ships which would be disappointed at not receiving an Argentine licence would then attempt to fish on the high seas rather than return to the territorial waters, and some might even try poaching in the Argentine zone. 12/

42. The Director also reportedly said that Argentina had granted fewer licences than expected but that those were for longer periods of time than the territorial licences. This, coupled with the absence of any voluntary restraint agreement on fishing quantities, and the fact that the marine vessels would be allowed to fish for small squid, would be detrimental both to the Territory's economy and to its plan for marine conservation. 12/

43. At the sixth meeting of the Commission, which took place in London on 14 and 15 June 1993, the Commission received the report of the first meeting of the Scientific Subcommittee, established in a Joint Statement of 23 December 1992, which held its session in London from 9 to 11 June 1993. The Commission also considered legislation and conservation measures and listened to a presentation on future cooperation, taking into account the said Joint Statement of the fifth meeting. The Commission agreed to meet again at Buenos Aires in September 1993. 1/

44. In May 1993, the British Government announced that it was extending its territorial waters around the south Atlantic islands of South Georgia and South Sandwich from 12 to 200 miles due to concern at over-fishing. 13/

45. On 7 May 1993, the Argentine and British Governments issued a Joint Statement in London and Buenos Aires regarding the question of conservation of fisheries around South Georgia and the South Sandwich Islands. Both Governments agreed that there was a need to strengthen the valuable measures adopted by the Commission for the Conservation of Antarctic Marine Living Resources and to renew their efforts in that context, in order to ensure effective conservation of marine living resources in the southern Ocean. 1/

D. Industry

46. The Falkland Islands Development Corporation (FIDC) was established in 1984 to advise the territorial Government on matters pertaining to economic development. The Corporation is an agency for local allocation of development loans and grants to new enterprises. It also takes up shares in, and sometimes wholly owns, development enterprises and services with the aim of increasing self-sufficiency and exports of processed and manufactured products.

47. FIDC took the initiative in 1991/92 to set up two important bodies: the Falkland Islands Textile Association for those involved in the processing of Falklands wool, and the Energy Advisory Committee to make proposals on the development of renewable energy.

48. With assistance from FIDC, a number of small businesses have been established. Currently, some 62 small businesses receive support from FIDC. These include a taxi service, a bus service, an electronics repair service, a mechanical repair shop, a number of restaurants, bars and retail outlets, a metal-working business, a driving school and a laundry. Other projects assisted by FIDC are a poultry farm and a market garden, which produce sufficient eggs and vegetables to supply the local community and the military. Two dairies have also been set up, as well as two bakeries and a butchery.

E. Tourism

49. The Territory's main attraction for tourists is its wildlife, including seals, penguins and albatrosses. Tourists from Europe and North America are discouraged, however, by the high cost of air fare. Also, there is a shortage of up-to-date tourist facilities. Although the administering Power has invested around £250,000 in tourist promotion and related activities in London and

Stanley, in 1990 there were fewer than 200 tourists, 50 per cent short of the projected figure. Tourist lodges, two of which were opened recently, are asking the Government for subsidies to remain in business. One article expressed the hope that the Government would make the necessary commitment because, for the time being, tourism was the only potentially reliable means of income for the Territory and could provide an immediate step towards self-sufficiency. It was hoped that new roads and the air connections to South America will boost tourism.

50. A local publication reported that the revenue for the 1993 tourist season was expected to be about £700,000 which, after all import costs (foodstuffs, drinks, fuel, vehicle costs and insurance) were levied, would leave the Territory with a net benefit of £250,000. The territorial Government was considering a recommendation to impose a £10 landing fee per tourist, which would bring the islands an additional £40,000. 14/

51. The average overall cost per day and per tourist for a vacation in the islands ranged between £180 and £400. The publication also said that the tourist industry had experienced a growth of 580 per cent between 1988 and 1993. 14/

52. The Argentine-British Joint Statement issued in Madrid on 15 February 1990 said that "the British delegation recognized the Argentine readiness to facilitate communications and trading opportunities between the Islands and the mainland." 15/ In that spirit, the Argentine officials have stated their Government's willingness also to facilitate the establishment of communications between the Islands and the countries neighbouring Argentina. They have announced that their Government has authorized requests received from Chilean commercial air transport companies to operate non-scheduled flights carrying tourists between Punta Arenas, Chile, and the Falkland (Malvinas) Islands (see also para. 69). 1/

F. Oil 14/

53. As yet unknown quantities of oil are believed to lie in the continental shelf around the Territory.

54. On 22 November 1991, the United Kingdom and Argentina made simultaneous announcements regarding continental shelf legislation. The United Kingdom issued a proclamation providing for the exercise of its rights over the seabed and subsoil of the continental shelf around the Falklands; an ordinance permitting seismic surveying was also passed. On that day, Argentina issued its maritime spaces law, which establishes that from the baselines it fixes, maritime spaces will be measured comprising territorial sea, contiguous zone, exclusive economic zone and continental shelf. The law covers the Falkland Islands (Malvinas), South Georgia and the South Sandwich Islands maritime spaces and continental shelf.

55. On 9 December 1991, following a meeting in London, it was announced that Argentina and the United Kingdom had agreed to form a High-level Group for the purpose of exploring the implications of their respective legislative measures of 22 November and the scope for cooperation on any activities deriving

therefrom. It was indicated that the meeting had been held under the sovereignty umbrella contained in the Madrid Declaration of 1989.

56. The High-level Group met at Buenos Aires on 26 and 27 February 1992 and in London, on 13 and 14 July 1992. According to the parties, both meetings were held in a cordial atmosphere and contributed significantly to the clarification of the respective viewpoints of the two countries. Both sides agreed to exchange ideas further and said that a follow-up meeting of the Group would be held at an appropriate time.

57. On 10 July 1992, it was reported in the Penguin News, the Territory's local newspaper, that if clearance was obtained from the United Kingdom, a £7 million seismic survey operation study would begin in October 1992. The study would be undertaken by two companies, a United Kingdom company named Spectrum, and GECO, a United Kingdom subsidiary of the Schlumberger Group of France, both of which would share the area to be surveyed, "which covers the entire continental shelf". The Territory would receive a free copy of the findings of the survey and have a direct say concerning which companies should be allowed to buy them. The Government would also receive royalties from such sales. It would probably take at least five years, however, before the first test rig appeared and another five years before oil could possibly be exploited commercially.

58. In November 1992, the United Kingdom Government authorized oil exploration around the islands, and the Territory's Legislative Council passed a bill permitting licensed surveys of the continental shelf. 16/

59. The Government of Argentina responded to these initiatives by reiterating its claim to the Territory when, in the same month, President Carlos Menem approved a bill of Congress setting out Argentina's right to all mineral deposits within 200 miles of the islands. 16/

60. In a communiqué released on this issue, the Argentine authorities made it clear that they do not accept or acquiesce to British sovereignty over the islands, nor do they agree that the United Kingdom has a right to invite companies to undertake surveys in the territorial waters. 16/

61. Also in November 1992, the Argentine embassy in London stated that talks would take place between the United Kingdom and the Argentine Governments on oil exploration in London the following month, and at Buenos Aires the following year. 16/

62. According to press reports, no oil exploration mandated by the territorial Government would take place in an area west of the Falkland Islands (Malvinas), where the United Kingdom's 200-mile zone overlaps with a similar and undisputed Argentine area. 16/

63. The same reports indicate that Argentina has started some oil exploration off its coast, but so far without success. Also, according to a source in the oil industry, for oil production in the south Atlantic to become profitable, Gulf oil would have to reach US$ 30 a barrel (its current price being US$ 21) or its supply would become severely unreliable. 16/

64. A three-month seismic survey of the territorial waters began in January 1993 when the Akademik Shatskiy, a survey ship flying the Russian Federation flag, arrived at Stanley. The vessel was chartered by GECO which, as mentioned above, is one of two companies contracted to carry out the oil exploration around the islands. 17/

G. Energy

65. A power station has been installed at the Fox Bay East settlement. Throughout the rest of the Territory, other than Port Stanley, power is derived from small-engined generators.

66. During 1990, by the installation of new equipment, the power station's maximum output was 4.7 megawatts. A 10-kilowatt wind generator was placed on Pebble Island in 1987. Interest in solar energy is reportedly growing.

H. Transport and communications

67. There are 110 kilometres of roads in the Territory outside Stanley, of which approximately 20 per cent are surfaced in bitumen, asphalt or concrete. The remainder are all-weather roads of crushed stone surface. There are no railways in the Territory.

68. It will be recalled that the Government of the Territory operates an internal air service using three twin-engined Islander aircraft. The main airport, located at Mount Pleasant, about 30 kilometres from Stanley, has a runway of 2,590 metres and is capable of receiving wide-bodied jet aircraft. There are flights to and from the United Kingdom twice a week and, since May 1990, a small Chilean airline, Aerovías DAP, has provided regular fortnightly service between Punta Arenas in southern Chile and the Falkland Islands (Malvinas). It was reported in September 1991 that an Uruguayan airline was also being granted permission to fly passengers and cargo to the Territory. Airmail is flown regularly via Ascension Island.

69. As stated previously (para. 52), the Argentine-British Joint Statement issued in Madrid on 15 February 1990 said that "the British delegation recognized the Argentine readiness to facilitate communications and trading opportunities between the islands and the mainland". 14/ In that spirit, the Argentine officials have stated their Government's willingness to also facilitate the establishment of communications between the Islands and the countries neighbouring Argentina. They have announced that the Argentine Government has authorized the Chilean commercial air transport company to operate scheduled flights carrying passengers, mail and cargo on the Punta Arenas-Rio Gallegos (optional stop-over)-Falkland (Malvinas) Islands route. Additionally, it extended an exceptional authorization to the same company to operate the flight on the Rio Gallegos-Falkland (Malvinas) Islands route. The said company had already been operating non-scheduled flights between Punta Arenas and the Falkland (Malvinas) Islands under Argentine authorization.

70. Inter-island sea transport is offered by two small cargo vessels, of 144 and 229 tons respectively, both operated by a local shipping company. There is

a shipping service between the United Kingdom and the Territory, with cargo vessels arriving approximately every month.

71. There is a government-owned and operated telephone system at Stanley and an extensive radio-telephone network throughout the Territory. An international service, first established in 1968, has now been extended to a full 24-hours-a-day service. During 1990, Cable and Wireless continued installation of a £5.4 million digital telecommunications network spanning the entire Territory. Its cost is shared by the Falkland Islands Government and Cable and Wireless, which also supplies the Territory's international service.

72. Radio broadcasts are provided by the Falkland Islands Broadcasting Station, a non-commercial radio operating 24 hours a day, financed jointly by the Government and by the British Forces Broadcasting Service, a division of the Services Sound and Vision Corporation (SSVC) of the United Kingdom. A television service also operated by SSVC is available in Stanley and some areas of East Falkland. It currently broadcasts for about five hours each day. It is expected that this service will be extended to most parts of the Territory.

I. Banking

73. The only bank in the Territory is the Standard Chartered Bank of the United Kingdom, which opened a branch at Stanley in December 1983 and provides a full range of banking facilities. Both United Kingdom and local coinage are used, together with local currency notes of values £20, £10, £5 and £1.

J. Public finance

74. Ordinary revenue decreased from £42.1 million for the year ended June 1989 to an estimated £38.5 million in 1990. Major sources of revenue included fisheries and the issuance of fishing licences, personal and company tax, public works, customs and harbour receipts, post and telecommunications and aviation.

75. Corresponding information for 1990 expenditures is not available. In 1989, total expenditure amounted to £32.6 million as compared with £31.1 million in 1988. Of the 1989 expenditure, £18.1 million represented ordinary expenditure, £3 million was transferred to the development fund and £11.5 million was development expenditure to be met from the United Kingdom Fund.

76. Traditionally, the United Kingdom has been the most important trading partner of the Falkland Islands (Malvinas). In 1990, however, although the United Kingdom continued to be the largest source of the Territory's imports, over 90 per cent of the foreign exchange earnings came from other sources. The major sources of earnings were the sale of fishing licences and the export of wool.

77. The largest category of imports since 1988 has been capital goods, namely, plant and machinery for the construction of industry, motor vehicles and central heating systems. Fuel oil and food remain the most important consumer imports. No import statistics have been maintained since 1986.

78. In May 1993, the Penguin News reported that a surplus of nearly £4 million was expected for this year's budget which, according to the Governor, represented a dramatic improvement from the situation in November and December 1992. The newspaper said that next year there should be a surplus of the same order, although, according to the Governor, this would depend on external factors, namely, a satisfactory squid season and the agreement with Argentina limiting the number of fishing licences it issues. 18/

VII. SOCIAL AND EDUCATIONAL CONDITIONS

A. Labour and employment

79. Traditionally, there has been full employment in the Territory. During the period under review, however, as noted above, unemployment was reported owing to the decline in sheep farming.

80. There are established scales of wages for Stanley and for the Camp. As of 1 January 1991, the latest date for which information is available, hourly wages at Stanley were as follows: handymen, £3.24 to £3.58; labourers, £3.17; skilled labourers, £3.24 to £3.58 and £3.61 to £3.94. A 40-hour week is customary.

81. In the Camp, minimum monthly wages for a 40-hour week for agricultural workers were between £300 and £400. In addition, a cost-of-living adjustment was paid to all Camp employees. Labourers and shepherds also received free quarters, fuel, meat and milk. Extra bonuses were paid for shearing, while labourers and shepherds were able to add to their earnings by engaging in contract work, such as fencing and peat cutting. Employees in the Camp are given 21 annual holiday days, including nine public holidays.

82. There are a number of overseas personnel working under contract, including St. Helenian workers who are often employed on short-term contracts to fill essential vacancies.

83. Various government departments and certain other employers at Stanley have apprenticeship schemes for training the limited number of craftsmen required.

B. Housing

84. The majority of the houses in Stanley are privately owned. The Government owns a number of houses which are rented to government employees and other residents of Stanley.

85. As reported previously (A/AC.109/1122 and Corr.1), the administering Power had reported that housing development undertaken by the Government and other sponsors was complete. The territorial Government, having completed a programme of "general needs" housing construction, was concentrating resources on the provision of single-person housing and serviced plots for self-builders and local companies. There was reported to be increasing involvement in construction by the private sector.

C. Public health

86. Medical and dental treatment and drugs are free to the residents of the Falkland Islands (Malvinas). All employed persons are required to pay a medical service levy of 1 per cent of their salary and employers, 1.5 per cent of the salary paid. Self-employed persons contribute 1.5 per cent of their net income for medical services.

87. There is no private system of medical care. The Falkland Islands Government Medical Department employs 6 registered medical practitioners, 10 registered nurses, 6 midwives, 8 untrained nursing auxiliaries, 3 laboratory and X-ray technicians, 1 dental surgeon, 1 pharmacist and 1 physiotherapist.

88. There is a joint civilian/military hospital, the King Edward Memorial Hospital, which was opened in 1987. Built at a cost of approximately £13 million, this hospital is equipped with 28 beds, including 2 for intensive care and 2 for maternity units. Facilities include an operating theatre suite, a pathology laboratory, an X-ray department and a casualty resuscitation department. The hospital civilian medical service provides primary care to the population of the Territory, to some military personnel and to the crews of the fishing fleets operating around the Falkland Islands (Malvinas). It also provides airborne medical service to outlying farm settlements. Cases requiring specialist facilities are transferred to the United Kingdom via the Royal Air Force Medevac system.

89. In addition to its therapeutic function, the Medical Department of the Territory is also involved in a range of preventive medicine activities, including operating child health clinics, school medical services, immunization programmes, well-woman clinics and health education and family planning programmes.

90. The general state of health and nutrition of the population is reported to be good. The principal causes of death are cancer, heart disease and respiratory infections of the aged.

91. Old age pensions and child allowances are provided, and charitable relief is administered by the Medical Department. Medical care, which is funded by a 1 per cent levy on income, is provided free of charge. The total budget of the Medical Department for 1990/91 was estimated at £1,643,110. 19/

D. Educational conditions

92. Education is compulsory and is provided free of charge for children between the ages of 5 and 15 years. Facilities are available for further studies beyond the statutory school-leaving age.

93. In 1991, the latest year for which information is available, 147 pupils attended the primary school at Stanley, while 132 pupils attended the secondary school in the capital. A further 63 pupils received education in rural districts. A new secondary school, for 200 pupils, was scheduled to open in 1992. Total expenditure on education and training was estimated at £1,542,780 for 1990/91. 19/

94. Although the Spanish language has been reintroduced in the school curriculum, all instruction in the schools of the Falkland Islands (Malvinas) is provided in the English language. The textbooks are obtained from the United Kingdom and opportunities exist for students to further their education in that country, with financing by the United Kingdom Government, which also makes available bursaries for tertiary training.

E. Human rights

95. According to the administering Power, the principles set out in the Universal Declaration of Human Rights are observed in the Territory. In addition, the administering Power has extended to the Territory the International Covenants on Civil and Political Rights and on Economic, Social and Cultural Rights, although they are not embodied in any one legislative instrument. The Constitution forbids the enactment of laws that are discriminatory.

F. Status of women

96. According to the administering Power, in conformity with articles 2 and 3 of the International Covenant on Civil and Political Rights, there is no discrimination on the basis of sex in the Falkland Islands (Malvinas). There are, however, many more men than women.

Notes

1/ The information contained in the present paper has been derived from the Governments of Argentina and the United Kingdom of Great Britain and Northern Ireland, as well as from the previous working paper prepared by the Secretariat (A/AC.109/1122) and several published reports.

2/ Keesing's Record of World Events, vol. 39, No. 1, 1993.

3/ A/48/162-S/25742, annex.

4/ A/48/167-S/25773, annex I.

5/ Reuters report (London), July 1993.

6/ The information contained in this sub-section has been obtained from Geographical Magazine, June 1991; The Financial Times (London), 20 March 1992; and The Economist (London), 25 April 1992.

7/ The Guardian, 15 December 1992.

8/ Penguin News, 18 December 1992.

9/ Ibid., 8 May 1993.

10/ The Manchester Guardian, 13 December 1992.

11/ The Guardian, 12 December 1992.

12/ Penguin News, 23 December 1992.

13/ Reuters report (London), 6 May 1993.

14/ Penguin News, 14 April 1993.

15/ A/45/136-S/21159, annex.

16/ The Guardian, 23 November 1992.

17/ Penguin News, 22 January 1993.

18/ Ibid., 1 May 1993.

19/ The Europa World Yearbook, vol. II, 1992.